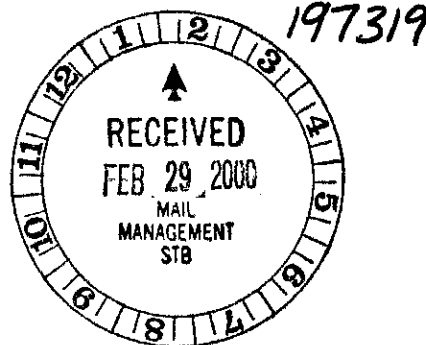


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Daniel R. McKinnon
Vice-President
Marketing and Distribution

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February 25, 2000

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Office of the Secretary
Case Control Unit
Attention: STB Ex Parte 582
1925 K Street Northwest
Washington, DC 20423-0001

Dear Sir:

Daishowa is a manufacturer of newsprint and directory paper and is a major user of rail services in the U.S. and Canada. The purpose of this letter is to comment on the issues to be discussed on March 8, 2000 in Ex Parte 582.

The Surface Transportation Board has a comprehensive process to evaluate railroad transactions and protect public interests. It should clearly evaluate the CN-BNSF merger according to that process.

The CN-BNSF merger should be judged on its merits and we encourage the Surface Transportation Board to focus on whether the proposed CN-BNSF combination is good for shippers, not on potential downstream effects.

The timing of the proposed CN-BNSF merger is not the central issue for our company. Our concern is service. Recent mergers have failed on service not because of timing. Accordingly, the Surface Transportation Board should focus on ensuring that the CN-BNSF merger will deliver service.

Sincerely,

D.R. McKinnon/ms

D. R. McKinnon

DRM:ms

(Dictated by D.R. McKinnon and signed in his absence)